ABSTRACT

An automated exchange is provided for trading complex orders for financial instruments, such as options contracts. Complex orders are stored in a central orderbook and ranked in order of execution priority with customer orders given higher priority, with older orders given priority over newer orders, and with orders at a better price given priority over orders at a worse price. Each complex order is examined and compared with other complex orders and with regular orders and quotations. Where a complex order is found to be marketable against another complex order or against a combination of regular orders or quotations the legs of the complex order are executed simultaneously, eliminating leg risk. Where a complex order is only partially executed, each leg is executed according to the ratio between the leg sizes specified for the complex order.